

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION**

10

March 23, 2004

**FROM: THOMAS R. LAURIN, DIRECTOR
DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT**

SUBJECT: LOAN AUTHORIZATION AND AGREEMENT FOR DALTON TRUCKING, INC.

RECOMMENDATION: Approve Loan Authorization and Loan Agreement for a Community Development Block Grant (CDBG) business expansion loan to Dalton Trucking, Inc., in the unincorporated Fontana area, in the amount of \$325,000, to purchase equipment and for working capital.

BACKGROUND INFORMATION: In 1982, the Board of Supervisors authorized the use of the Community Development Block Grant (CDBG) for business loan purposes by creating the Business Expansion Revolving (BusEx) Loan Program designed to spur job creation and retention within the County by providing affordable financing to profitable businesses proposing to create or retain jobs.

Dalton Trucking, Inc. has expanded its logistics operations in the unincorporated Fontana area and is seeking financing for equipment purchases and for working capital. The expansion will result in the creation of ten (10) new jobs and the retention of three hundred fifty (350) existing positions. This action would approve a BusEx loan to the company for this purpose in the amount of \$325,000. The loan would be repaid to the County over a ten (10) year term, amortized on a fifteen (15) year basis at a fixed rate of five and one half (5.5%) percent. Dalton Trucking, Inc. is providing collateral in the form of a Second Trust Deed on commercial property in Bloomington, CA. Based upon an appraisal of the property, there is sufficient value to secure the County's interest.

REVIEW AND APPROVAL BY OTHERS: The documents have been reviewed and approved by the Department of Economic and Community Development's Contract Compliance Designee, David Larsen (909-388-0959) on March 8, 2004; by Deputy County Counsel, Michelle D. Blakemore (909-387-5455) on March 9, 2004; and by the County Administrative Office, Patricia M. Cole, Administrative Analyst III (909-387-5346) on March 15, 2004.

FINANCIAL IMPACT: Total cost of the expansion project will be \$4,638,423 with the owner providing \$643,423 in equity, and bank financing of \$3,670,000. The remaining \$325,000 will be provided by the County of San Bernardino BusEx loan and is included in the department's FY 2003/04 Budget (SBR-ECD).

SUPERVISORIAL DISTRICT(S): 2nd.

PRESENTER: Thomas R. Laurin, Director, 388-0808.

Record of Action of the Board of Supervisors

10